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Page 14

group in the engine division only. 1

- 2 Q. Okay. And you replaced Mr. Warner?
- A. Correct. 3
- 4 Q. When did Caterpillar decide to stop reimbursing
- for flywheel house and flywheel house bolt 5
- repairs on Trans-Spec trucks? 6
- 7 A. From my discussions with the people I named
- 8 earlier, I'm of the understanding that it was
- 9 mid 2003.
- 10 O. What is Caterpillar Extended Service Coverage
- 11 Plus?
- A. Extended Service Coverage Plus is a coverage 12
- program that is a purchased program that covers 13
- specific components for defects in Caterpillar 14
- material and workmanship for a specific amount 15
- of time as noted on the contract. 16
- 17 Q. What entity offered Trans-Spec the extended 18 service coverage?
- 19 A. Who offered them this extended service
- 20 coverage? Q. Yes. 21

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- 22 A. I'm not sure if it was the Caterpillar -- I
- don't -- I don't know exactly who offered it to 23

extended service coverage plan?

2 MR. GRUNERT: Object to the form and also beyond the scope of the notice. 3

You can answer it if you're able to do

4 5 that on your personal knowledge. 6

But that's not within the scope of anything she was asked to testify about.

MR. SAMITO: Well --

MR. GRUNERT: She hasn't prepared herself

Page 16

10 MR. SAMITO: -- what we're getting into IS compliance at issue here. 11

> MR. GRUNERT: You can answer if you can answer based on personal knowledge. It's beyond the scope of the notice.

- A. Repeat the question, please. 15
- Q. Why does Caterpillar offer customers the 16 extended service coverage plan? 17
- A. Because the marketplace asked for a coverage 18 plan in addition to what's available under 19 standard warranty, but it is not -- it's an 20
- 21 option, it's not something that everybody participates in. 22
- O. Is it offered to all Caterpillar customers? 23

Page 15

them specifically.

- Q. Does Caterpillar offer this program or is it 2 something that's offered by local Caterpillar 3
- 4 dealers, such as --
- A. Caterpillar has the program available. 5
- Q. -- Southworth Milton? 6

MR. GRUNERT: I should probably object to the form because I think the witness is

struggling with your use of the word "offered".

In the sense of who's the contracting entity or --

12 MR. SAMITO: I'm going to get to that. BY MR. SAMITO: 13

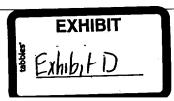
Q. I want to know first off who offered the 14

extended service coverage to Trans-Spec. 15

MR. GRUNERT: I object to the form. 16

- A. I guess if you would clarify "offered"? 17
- O. Who contacted Trans-Spec and said would you 18
- like to participate in this program? 19
- A. I do not know who specifically made that. 20
- Q. Is it a Caterpillar program? 21 A. It's a Caterpillar program. 22
- O. Why does Caterpillar offer customers the

- A. It is available for purchase by any Caterpillar 1 2 user owner.
- Q. So anybody could purchase it? 3
- A. If they own a Caterpillar engine. And -- and 4
- 5 there's a coverage program available for 6 purchase.
- Q. Does Caterpillar have to make any determination as to which customers to offer the extended 8 9 service coverage plan to?
- A. It's -- it's a publicly available program, 10 anyone is available to purchase and 11 participate. 12
- Q. Arc you aware of any conferences that were held 13 between Harry Calderbach(ph) and Chad Bixby in 14
- terms of determining whether to offer the 15
- extended service coverage plan? 16
- A. No, I am not. 17
- O. Did Caterpillar offer it on several 3176 18
- engines purchased by Trans-Spec in the mid 19 1990's? 20
- 21 A. I am not aware of that information.
- Q. Do you know if Caterpillar offered it and 22 23
 - Trans-Spec accepted as to any of Trans-Spec's



5 (Pages 14 to 17)

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Page 50 Page 52 1 warranty at the same time. A. No, I did not. 1 2 (Whereupon a discussion was held 2 Q. You didn't do any research into that area to 3 off the record.) 3 prepare for this 30(b)(6) deposition, did you? 4 BY MR. SAMITO: MR. GRUNERT: No, because it was beyond 4 5 Q. When did you first learn of claims coming in 5 the scope of the notice. 6 regarding flywheel housing or flywheel housing 6 BY MR. SAMITO: 7 Q. Do you know why Caterpillar decided to stop bolt failures on the c-12? 7 reimbursing for flywheel housing and flywheel 8 MR. GRUNERT: Object; beyond the scope o 8 housing bolts failures on Trans-Spec's C-12s? 9 the notice. 9 10 A. In my discussion with Rob Smith and Brad Answer if you can from personal knowledge. 10 A. I'm not specifically aware of the date. I'm 11 11 Bowdoin, I understand that they made the not aware of a specific date. 12 12 decision that these repairs should no longer be 13 Q. Did you ever learn that there were claims 13 covered. 14 coming in on flywheel housing and flywheel 14 Q. Why? housing bolts on the C-12? A. Because they felt it was not a failure in CAT 15 15 16 A. No. 16 material or workmanship, it was not a defect of the Caterpillar material or workmanship. 17 Q. You never heard that? 17 18 A. Not until this came up. 18 Q. Who did they consult with when they came to 19 Q. When did you first learn about Trans-Spec's that decision? 19 20 problems? 20 A. I understand that that information was 21 A. In this situation. The date, I'm sorry, I communicated back to the CAT dealer. 21 don't remember the date. Recently. 22 22 Q. I'm asking who did they communicate with when 23 Q. Within the last six months? 23 they made the decision? Did they speak with Page 51 1 A. Correct. 1 any Caterpillar engineers? Did they speak with 2 2 a 6 Sigma team? Did they make this decision on Q. Did Caterpillar stop reimbursing under warranty 3 for extended service coverage for flywheel 3 their own? 4 housing and flywheel housing bolt repairs on 4 A. I understood product health was involved, Brad 5 C-12s owned by a company other than Trans-Sped? 5 Bowdoin. I do not know specifically who else he worked with in making that determination. A. I'm not aware of our specific actions. 6 6 7 7 MR. GRUNERT: I object, it's beyond the Q. What were the communications that they had with **Brad Bowdoin?** 8 scope. 8 9 Q. Well, what I'm trying to get at is, is 9 A. I understand that they reviewed the detail with 10 Trans-Spec the only company that you stopped 10 Brad, shared technical information with him, reimbursing flywheel housing and flywheel shared the service history with him. 11 11 12 housing bolts for? 12 Q. Who is Brad Bowdoin? A. I have not looked at the data regarding A. At that time he was a product health -- product 13 13 flywheel housing repairs and claims to see what 14 health engineer. I'm not specific on his job 14 was paid or not paid. title. 15 15 Q. As head of the warranty claim department for Q. Was he an engineer? 16 16 on-truck engines, do you know? A. I do not know if engineer was in his title. 17 17 Q. Do you know if he even has an engineering A. That is not something that I get into the 18 18 degree? 19 detail on. 19 A. I do not know if he has an engineering degree. 20 Q. Never heard anything about C-12 flywheel 20 housing and flywheel housing bolts warranty Q. Has he ever served as an engineer? 21 21 A. I'm not exactly clear if he's an engineer or if 22 claims and that Caterpillar decided to stop 22 23 reimbursing? 23 he did engineering functions. He was in

22

23

completed.

Q. Do you know if anyone contacted anybody in that 23

Clair	SSI COMPCI			09/22/2005
	Page 54 product health.	1		Page 56
2		1		6 Sigma team for guidance on this issue?
$\frac{2}{3}$	Q. Are either of the two gentlemen who made the decision to stop reimbursing for Trams-Spec's	2		Who are you referring to as anyone?
4	problems, are either of them engineers?	3		Anyone from the warranty claims department.
5	A. I do not know.	4	Α.	I'm not aware of anyone within the warranty
6	Q. Is there any documents that were looked at when	5		department who contacted the 6 Sigma team.
7	Caterpillar made this decision to stop	16 7	\circ	What what date are you
8	reimbursing for Trans-Spec's	8	Q.	
9	A. I am not aware of what documentation was	9	۸	housing or flywheel housing bolt failures.
10	provided between the district office and	10	л.	I'm not aware of any direct conversation regarding Trans-Spec and flywheel housing
11	product health.	11		failures and the 6 Sigma team.
12	Q. Did you ask in preparation for this Rule	12	\circ	
13	30(b)(6) deposition?	13	Q.	Can you give me the positions of the two gentlemen who decided to stop reimbursing for
14	A. I'm not I don't recall exactly if they	14		Trans-Spec's flywheel housing and flywheel
15	looked at iron, I do know they looked at repair	15		housing bolt failures?
16	history.	16	Α	Brad Bowdoin, he was in product health. I'm
17	Q. Was the decision to stop reimbursement for	17	1 3.	not sure what his specific title was at the
18	Trans-Spec's flywheel housing and flywheel bolt	18		time.
19	failures on C-12 engine a specific decision as	19	O.	And who was the other person?
20	to Trans-Spec or was it part of a larger	20		I believe he was the primary person that was
21	Caterpillar policy on this issue?	21		involved. I do not know who else he'd involved
22	A. I understand from visiting with Brad Bowdoin	22		in making that decision other than the field
23	and Rob Smith that the conditions surrounding	23		rep was Rob Smith.
<u> </u>				
	Page 55		_	Page 57
	the units of Trans-Spec were such that they	1		Where was Rob Smith located?
2	determined that it was not a CAT defect in	2		I'm not exactly sure which city he lived in at
3	material and workmanship.	3		the time. He was the rep in the northeast at
4 5	Q. How did they come to that determination?	4		that time.
5 6	A. Through the discussion of the application the unit was in. I don't know all the details that	5		Was he in the Connecticut office?
7	were shared between them.	6		I do not know which office he was located in.
8	0 5:1	0		Who is Michael Powers?
9	· · · · · · · · · · · · · · · · · · ·	8		At that time he was the regional manager of the
10	A. But they also looked at the history of the C-12 in general and that particular failure and	9		northeast district.
11	determined that this was not a problem.	10	-	Was he involved in this decision as well?
12	Q. Was any engineer involved in making that	11 12	Q.	I understand he was involved. How was he involved?
13	determination?	13	_	I understood he he spoke with Louis Vachon
14	A. I cannot say. I do not know.	14		regarding the details of the matter. And
15	Q. Was any engineer report involved in making that			confirmed with Louis that it was not a
16	determination?	16		Caterpillar problem.
17	A. I do not know.	17		Who is Louis Vachon?
18	Q. Was any 6 Sigma team involved in making that	18	-	At that time he was the supervisor of the truck
19	determination?	19		engine call center.
20	A. I understand there was a 6 Sigma team. I do	20		Was Mr. Vachon an engineer?
21	not recall when it was chartered or when it was	21	A.	I do not know.
122	aamnlatad	22	\circ	DIAM V 1 1 14 CC:

Q. Did Mr. Vachon speak with any 6 Sigma team in

coming up with this decision?

22

Clair	SSA COINICI	
	Page 58	
1	A. I do not know who Louis may or may not have	1
2	spoken to.	2
3	Q. Who else may have been contacted as part of th	¢ 3
4	decision making process to stop reimbursing for	4
5	Trans-Spec flywheel housing failures and	5
6	flywheel housing bolt failures?	6
7	A. I'm not sure who else was contacted.	7
8	Q. Were there any documents on this issue?	8
9	A. I am not aware of any document specific to	9
10	Trans-Spec.	10
11	Q. Any e-mails on this issue?	11
12	A. I'm not aware of any e-mails specific to	12
13	Trans-Spec.	13
14	Q. Who was the specific person who made the	14
15	decision to stop reimbursing Trans-Spec for	15
16	flywheel housing and flywheel housing bolt	16
17	failures?	17
18	MR. GRUNERT: I'll object to the form.	18
19	A. I'm not exactly sure if there was one person	19
20	specifically involved. I know Brad Bowdoin had	20
21	significant input into the decision.	21
22	Q. But there's not one person that you can point	22
23	to as having the authority to make this	23
-		
1	Page 59 decision?	١.
2		1
3	MR. GRUNERT: Object to the form. A. I cannot say that one person made this	2 3
4	decision.	4
5	Q. So if I asked you who made the decision	5
6	A. I know Brad Bowdoin was significantly involved	
7	in making the decision.	7
8	Q. Did they make any determination that it was a	8
9	Sterling problem.	9
10	A. I do not know if they determined what the root	10
11	cause of the problem was.	11
12	Q. Why did Caterpillar decide to stop providing	12
13	reimbursement?	13
14	A. Caterpillar determined that it was not a defect	14
15	in material or workmanship.	15
16	Q. How did they determine that?	16
17	A. Based on the information that was provided from	1
18	the field from the dealer and looking at the	18
1	and arous moin the dealer and looking at the	1 10

information on all C-12s in the field.

the dealer in the field. Who --

O. Who provided the information? You referred to

A. I'm not sure who specifically provided it. I

don't know if it was Al Cardoza specifically.

Page 4 of 6 09/22/2005 Page 60 That's the name I've heard has been involved but I don't know if he was the only one who provided information. Q. Did anyone ever contact you or anyone else at Caterpillar to inquire about the denial of reimbursement? A. I was never contacted regarding the denial of claims for Trans-Spec for flywheel housing --O. Was any --A. -- repairs. Q. -- one else at Caterpillar contacted? A. Was anyone else at CAT contacted for --Q. About Trans-Spec's problem either by Trans-Spec or someone calling on Trans-Spec's behalf or communicating on Trans-Spec's behalf via e-mail or fax or letter, phone call? A. I do not know. I stated what my understanding is of Rob Smith's involvement, Mike Powers and to a limited degree Al Cardoza. I'm not aware of any other communication. Q. Do you know how the decision was communicated to Trans-Spec? A. I am not aware of how that was done. Page 61 Q. Did you try to find out pursuant to the Rule

2 30(b)(6) deposition preparation?

A. I understood the decision was made, the 3 district rep was informed. And beyond that, it 4

was between them and the CAT dealer to 5

communicate that information back to the 6 7 customer.

- 8 Q. Who was the district rep at the time?
 - A. I believe that was Mike -- Rob Smith.
- 0 Q. Did you call Rob Smith to check to prepare for 1 this deposition?
- 2 A. I did have conversation with Rob, but I do 3 not -- I do not believe we spoke specifically
- 4 as to how the customer was informed of the 5
- decision.
- 6 Q. Do you know if Trans-Spec tried to contact 7 Caterpillar in any way to ask about this 18 decision?
- 19 A. I was not contacted by Trans-Spec. I do not 20 know if they tried to contact anyone in
- 21 Caterpillar.
- 22 Q. Do you know if Al Cardoza called in Trans-Spec's behalf? 23

19

20

21

22

23

		Page 66 MR. GRUNERT: Object to the form.	1	Λ	Page 68
2	A.	I am not aware of other customers that were	2		. It was \$2,389.73.
3	*	running Sterling trucks and whether or not they	3	Ų.	And that included the cost of a new flywheel house?
4		had flywheel housing repairs.	4	Λ	Yes.
5	Q.	<u> </u>	5	O.	
6	`	Caterpillar refused to reimburse for flywheel	6	_	
7		housing and flywheel house failures?	7	Λ.	Pipe plug, washer, cap, bolt, dowel and the flywheel housing.
8		MR. GRUNERT: Object to the form.	8	Ω	
9	Α.	I am not aware of any specifics beyond	9	V.	And then you said a number of repairs were
10		Trans-Spec.	10		reimbursed under good will. Why was this one
11	Q.	Did Caterpillar resume reimbursing for	11	Δ	specifically reimbursed under ESC? The claim was filed as a flowbook benefit as
12	`	Trans-Spec's flywheels and flywheel housings in		Λ.	The claim was filed as a flywheel housing
13		August 2004?	13		failure and the analyst understood that the
14		MR. GRUNERT: You can look at your	14		flywheel was a covered component and paid for it as such.
15		documents if you want.	15	Ω	
16	A.	Under what program are you referring to?	16	Ų.	What about the decision in 2003 to stop
17		In any program.	17		reimbursing on Trans-Spec's flywheel housing failures?
18		I believe some claims were paid under good wil		Δ	
19		after 2004.	19	л.	I found no evidence that our group was informe of that decision.
20	Ο.	Were any paid pursuant to extended service	20	\mathbf{O}	
21	`	coverage?	21	Ų.	The warranty claim division never even knew that Caterpillar had stopped reimbursing
22	A.	I believe there was one claim paid to extended	22		
23		service coverage.	23	Д	Trans-Spec for the flywheel housing failures? No, we were not made aware of that decision.
		3-1	2.5	4 1.	140, we were not made aware of that decision.
	_	Page 67			Page 69
1	Q.	1-7-	1	Q.	So was this a mistake to cover this under the
2	_	MR. GRUNERT: Claim number Q931105.	2		extended service coverage?
3	Q.	· · · · · · · · · · · · · · · · · · ·	3	A.	This repair should not have been covered.
4	Α.	j g	4	Q.	Under extended service coverage?
5	Q.		5		Under either warranty or extended service
6	Α.	J	6		coverage due to due to the decision that
7	Q.	1 1	7		was made in 2003 that had determined that this
8		Repair was performed August 17th, 2004.	8		failure was not a defect in CAT material or
9	Q.	, , , , , , , , , , , , , , , , , , , ,	9		workmanship.
10		extended service coverage?	10	Q.	Was this claim eventually covered under good
11	A.	I can see on the claim what coverage programs	11		will? In other words, was it deemed to be
12	_	the expense was assigned to.	12		erroneous pursuant to extended service coverage
13	Q.	Was the flywheel housing repair specifically	13		or standard warranty and ended up getting
14		assigned to extended service coverage or were	14		covered by good will?
15		other repairs In other words, I know that	15	A.	I do not know if this claim was subsequently
16		sometimes claims are split where some of the	16		debited and reissued.
17		money comes pursuant to extended service	17		How about the other claims that were reimbursed
18		coverage and some are pursuant to good will.	18		pursuant to good will, why were they why
19	Α.	This particular claim the parts were expensed	19		were they covered by good will?
20		to standard warranty and the labor was expensed	20	A.	Which claims?
20					
21	_	to extended service coverage.	21		MR. GRUNERT: Object to the form.
21 22	Q.	to extended service coverage. And the parts that were expensed to warranty	21 22		
21	Q.	to extended service coverage.	21 22		MR. GRUNERT: Object to the form.

1	Page 74		Page 76
2	EVAMINATION DV MD. CRIDITAT	1	Q. Did the people who make the decision consider
3	EXAMINATION BY MR. GRUNERT:	2	that other companies owning C-12 engines had
	Q. Ms. Colmer, Mr. Samito asked you the reason w	hy3	also had flywheel housing failures and flywheel
4	the people who made the decision that	4	housing bolt failures on them?
5	Trans-Spec flywheel and flywheel housing	5	A. I believe that they looked at the claim history
6	failures should no longer be paid under	6	on the C-12 population when making that
7	warranty, what they took into account in making	7	decision.
8	that decision, and you testified I think to the	8	Q. And is it determinative if a customer of
9	effect that they took into account not only	9	Caterpillar submits a claim for a relatively
10	information they had gotten from the dealer	10	
11	about application, but also the general	11	rare failure, is that determinative on whether
12	performance of C-12 engines or words to that	1	or not Caterpillar's going to reimburse?
13	effect.	12	A. The decision to reimburse is based upon whether
14		13	or not the failure is the result of a defect in
1	Can you explain what you mean by that part	14	CAT material or workmanship.
15	of the answer?	15	Q. So the fact of the rate of incidence of the
16	A. I understood that when they looked at the	16	failure really doesn't matter, does it?
17	failure history on Trans-Spec's units they	17	MR. GRUNERT: Object to the form; contrary
18	looked at the history of flywheels in general	18	to what she testified to.
19	on all C-12s and that there was not a	19	MR. SAMITO: I'm trying to ask how it
20	significant failure rate in relationship to the	20	matters but I'm not getting an answer to that
21	failure rate that Trans-Spec was seeing that	21	question.
22	was occurring on Trans-Spec units, that the	22	MR. GRUNERT: Can you answer that
23	failure on Trans-Spec's units was significantly	23	question? I object to the form of it.
 -			
1	Page 75 greater than the general population of C-12s.	,	Page 77
2	MR. GRUNERT: That's all I have.	1	A. I understand it was due to the repetitive
3		2	nature of the failures and the additional
1	MR. SAMITO: I have a few more. Possibly	1	information that they had acquired on these
4	one, we'll see.	4	units that allowed that led them to make
5	THE PROPERTY OF THE PROPERTY O	5	that decision.
6	FURTHER EXAMINATION BY MR SAMITO:	6	MR. SAMITO: I have nothing more.
7	Q. Did Caterpillar routinely stop reimbursing	7	MR. GRUNERT: Thank you, that's all I
8	under warranty if it saw a repair that was out	8	have.
9	of the ordinary?	9	
10	MR. GRUNERT: Object to the form.	10	FURTHER DEPONENT SAYETH NOT
11	A. Caterpillar's decisions to discontinue paying	11	
12	claims are based upon the fact on whether or	12	
13	not they deem it as a defect in material or	13	
14	workmanship.	14	
15	Q. Well, one more I guess. How did the fact that	15	
16	flywheel housings usually don't break or fail,	16	
17	how did that play into this decision to stop	17	
18	reimbursing for Trans-Spec?	18	
19	A. One of the areas that was heavily considered	19	
20			
I .	was the significant failure rate of the was	20	
21	the significant failures of the flywheel	21	
22	housings on these units, repetitive failures	22	
23	that did not show up in the general population.	23	·
			1